

NEWS RELEASE

**OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF ILLINOIS**

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For Immediate Release

February 17, 2006

**Former Chief Financial Officer of Family Company of America
and Former Owner of W.W. Transtech, Inc.,
Entered a Guilty Plea to Filing False Tax Returns**

Edward E. McNally, United States Attorney for the Southern District of Illinois announced today that on February 17, 2006, **CHARLES KEVIN LEHNBEUTER**, age 51, of St. Louis, Missouri, pled guilty to a two-count Information charging him with filing false tax returns for the taxable years 1998 and 1999, all in violation of Title 26, United States Code, Section 7206(1).

Sentencing is scheduled for Friday, May 19, 2006, in the United States District Court for the Southern District of Illinois, East St. Louis, Illinois. The maximum penalty that can be imposed for each count is a term of imprisonment of up to three (3) years, a fine of not more than \$250,000.00, or both, costs of prosecution, a special assessment of \$100.00, and a term of supervised release of not more than three (3) years.

According to facts stipulated to at the plea hearing, **LEHNBEUTER** was the Chief Financial Officer of Family Company of America from March 1996 through January 1999. Family Company of America was a company engaged in the operation of grocery stores in the St. Louis, Missouri, metropolitan area. As part of his compensation from Family Company of America, **LEHNBEUTER** received a forgivable loan in the amount of \$135,000.00, intended to be forgiven over a five-year period. Due to **LEHNBEUTER's** dismissal during January 1999, the loan was forgiven by Family Company of America during the years 1997, 1998, and 1999. **LEHNBEUTER** failed to report this taxable income on his U.S. tax returns for the years 1997, 1998, and 1999. **LEHNBEUTER** further stipulated that beginning in 1993 he owned and operated W.W. Transtech, Inc., a company engaged in the sale and distribution of disposable cutting tools. In April 1998, **LEHNBEUTER** filed a false and fraudulent Income Tax Return, Form 1040, for the year 1997, wherein he failed to report income earned from Family Company of America in the amount of \$26,408.31, and he overstated losses from W.W. Transtech in the amount of \$40,331.00.

The successful prosecution is a result of an investigation conducted by the Internal Revenue Service, Criminal Investigation. The case is being handled by Assistant United States Attorney Norman R. Smith.